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BPA pays Treasury more than \$1 billion in fiscal 2002

PORTLAND, Ore. – The Bonneville Power Administration made its annual debt payment to the U.S. Treasury in full and on time Sept. 30, for the 19th straight year. The 2002 payment was \$1.056 billion.

The payment included \$505 million in principal and \$483 million in interest for the federal investment in the Federal Columbia River Power System. BPA also paid \$68 million in other obligations, including funding of the agency's share of the civil service retirement system.

This year's principal payment included \$266 million to repay Treasury borrowing in advance of its due date. The money came from refinancing non-federal Energy Northwest nuclear project bonds. BPA is in the process of restructuring its overall debt. The payment is part of that effort. The goal is to lower overall short- and long-term costs for ratepayers while increasing access to capital for infrastructure investments.

BPA received credits for expenses associated with fish recovery amounting to \$46 million. Other credits totaled \$58 million.

"This payment demonstrates how highly the Northwest values the federal Columbia River Power System," said Steve Wright, BPA administrator. "Although market conditions were difficult last year, the region made Treasury payment a top priority."

Although the numbers are not in yet, BPA had to draw down its financial reserves to meet its obligations in fiscal 2002, which ended Sept. 30. As announced earlier, the agency will likely need to reduce program costs and raise rates next spring to ensure that its Treasury payment can be made in full in 2003.

"We are currently working with customers, public interest groups, tribes and others on ways to regain a firm financial footing," Wright said. "By mid-November we expect to have a decision on financial options including cost reductions and a possible rate adjustment."

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